

RYANAIR HOLDINGS PLC
Form 6-K
May 29, 2009

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

**Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934**

For the month of May 2009

RYANAIR HOLDINGS PLC
(Translation of registrant's name into English)

**c/o Ryanair Ltd Corporate Head Office
Dublin Airport
County Dublin Ireland**
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F..X.. Form 40-F.....

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Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No ..X..

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

RYANAIR RESPONDS TO AER LINGUS' REJECTION OF ITS AGM PROPOSALS TO REDUCE THE BLOATED FEES PAID TO AER LINGUS' NON EXECUTIVE CHAIRMAN AND DIRECTORS

Ryanair today (2
9
th

May
09

) expressed its disappointment that the Board of Aer Lingus has recommended rejection of its two AGM proposals to cut Aer Lingus' bloated Non-Exec Chairman and Directors fees. Ryanair believes that these two resolutions are clearly in the best interests of all Aer Lingus shareholders. This latest rejection of Ryanair's proposals by the Board of Aer Lingus proves again that it is controlled by the Government and trade unions, leaving Ryanair - its largest shareholder - with no influence whatsoever. Ryanair pointed out that its resolutions, if passed, will reduce the fees paid to the Aer Lingus Board from €730,000 in 2008, to a still substantial €141,000 in 2009, thereby reducing Aer Lingus' costs by almost €600,000 to the benefit of Aer Lingus' profits, its share price and shareholder value

Ryanair said that this was the fifth time
over the past 2 years

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at
Aer Lingus ha

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ignore
d

or rejected proposals from Ryanair, its largest (29.8%) shareholder, which included:

- Ryanair's

Aug'07

call for an EGM on the

closure

of the profitable Shannon base

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- Ryanair's
Mar'08
call for
Aer Lingus to lower fares to stimulate traffic
growth and profit

s

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- Ryanair's
May
'08
call
for
Aer Lingus to scrap
its unfair long-haul
fuel surcharges which
were
damag
ing
Aer Lingus'

|

ong-haul traffic.

- Ryanair's
Feb'09
request that
secret
multi-million euro
senior
executive
resignation
bonuses at Aer Lingus should
not be agreed
in future
without
shareholder
approval

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- Ryanair's
June'09
o
rdinary resolution

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to
reduce

Aer Lingus'
bloat
ed

N
on
E
xec
D
irector
(and Chairman's)
fees
which have increased five fold over
the past
2 years from €141,000 in 2006 to €730,000 in 2008

The irrational and illogical determination of the
Aer Lingus
Board to dismiss
ively
reject
every
proposal from its largest shareholder (as illustrated above) even when these
sensible
proposals would boost Aer Lingus profits and share price confirms again that Ryanair has no influence
whatsoever
or control over the Board of Aer Lingus whose only policy appears to
consist of taking
the opposite course to that recommended by Ryanair regardless of the damage done

to
, Aer Lingus

shareholder value
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Since
the
Aer Lingus
Board
continues to be controlled and run by the Irish Government and the trade unions
(
who between them have appointed the entire
Aer Lingus

Board

) who

have presided over an 80% collapse in its share price over the past t

wo

years (from over €3

in 200

7

to under €0.60 in May

2009

) Ryanair has accepted this reality and today announced that it has

given

a proxy over its 29.8% share of votes at the AGM in favour of the Minister for Transport, Mr Noel Dempsey on the two resolutions covering Non-Exec fees

The effect of this action is to allow the Minister for Transport - on his own - to decide whether:

- Fees of €140,000 p.a. to a Non Executive Chairman who attends approx 9 Board meetings a year (a cost of over €15,000 per Board meeting) is reasonable or justified
- Fees of €36,000 p.a. to a Non Exec Director such as (f at c at trade union boss) David Begg (at a cost of €4,000 per Board meeting) is reasonable or justified in the context of a company whose market cap has fallen to just over €300m, and which reported losses of €108m in 2008 and has warned of

increased losses in 20
09

Ryanair said it does not expect these individuals to work for free. It simply believes that a majority of non Government and non trade union shareholders would share its view that Non Executive Chairman's fees of €35,000 p.a. and Non Executive Directors fees of €17,500 p.a. (which is what was paid to Aer Lingus Directors in 2006, and is what is currently paid to Directors of other Irish Government Semi-States like the DAA Plc) is fair and reasonable for the limited time involved and the shareholder value destruction delivered by this Board at Aer Lingus

Speaking today, Ryanair's Michael O'Leary said:

"We have decided on this course of action today in order to avoid conflict

at Aer Lingus' AGM on 5

th

June next. Giving a proxy over Ryanair's votes in favour of the Minister for Transport on the two resolutions concerning the bloated fees paid to Aer Lingus' Chairman and Non Executive Directors simply recognises the reality that Aer Lingus is controlled and run by the Government and the trade unions, which is why shareholder value is being destroyed. These recent events sadly confirm that Ryanair has no control or influence whatsoever over this failing, loss making airline

"The fact that the Board of Aer Lingus has refused to reduce its Directors

fees to the leve

l

they were at just

over

two years ago in 2006

, in recognition of the

urgent

need to reduce costs in the

face of rising losses

, or to bring them into line with Directors

fees paid

by other

comparable semi-state compan

ies

(

such as

the Dublin Airport Authority plc) leaves the Board of Aer Lingus with

little

or no

credibility when it comes to negotiating

further cost
reductions

with its work force and trade unions in order to restore Aer Lingus to profitability.

"Sadly the Board of Aer Lingus seem more concerned to defeat every reasonable Ryanair proposal to improve profitability and shareholder value, in order to repeatedly prove that Ryanair has no influence or control over Aer Lingus. The rejection of these latest proposals is yet another sign of lamentable leadership at Aer Lingus and demonstrates once again that its Chairman and Board are completely out of touch with reality and have no regard whatsoever for the reasonable concerns of its shareholders or shareholder value

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With Ryanair's votes in his pocket, the Minister for Transport

can
now
alone

decide whether fees
of

over €15,000 per Board meeting are reasonable in the case of Aer Lingus'

Non Exec

Chairman or fees

of

€4,000

per Board meeting

are reasonable in the case of Aer Lingus' Non Executive Directors, all of whom are either Government appointees or trade union

appointees

like

ICTU boss

David Begg.

"I

f

the Minister for Transport,

s

port, Noel Dempsey,

abstains or

votes to protect these bloated Directors fees, then he too will have zero credibility when it comes to negotiations with Aer Lingus' trade unions and its workers on the significant

cost

reductions

and productivity improvements necessary to return Aer Lingus to profitability and restore shareholder value.

"Ryanair will be represented at Aer Lingus' AGM next Friday and will be addressing a series of questions to Aer Lingus Chairman, Colm Barrington and Board. We welcome Aer Lingus' recent (22 May) confirmation that Ryanair is welcome to attend the AGM and that we can ask anything we like. We look forward to taking

Aer Lingus up on this invitation

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Ends.

Friday 29
th
May 2009

**For further information
please contact:
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

RYANAIR HOLDINGS PLC

Date: 29 May 2009

By: ___/s/ Juliusz Komorek___

Juliusz Komorek
Company Secretary